

**ASSEMBLY BILL**

**No. 1127**

---

**Introduced by Assembly Member Shirley Horton**

February 21, 2003

---

An act to amend Sections 15001, 15002, 15003, 15003.3, 15003.4, 15003.5, 15005, 15006, 15007, 15010, 15011, 15012, 15020, 15020.1, 15020.2, 15020.3, 15020.5, 15021, 15022, 15023, 15024, 15025, 15026, 15028, 15029, 15029.5, 15030, 15031, 15031.5, 15032, 15032.5, 15033, 15034, 15035, 15036, 15037, 15037.1, 15037.3, 15037.5, 15038, 15038.5, 15039, 15039.5, 15039.7, 15040, 15041, 15042, 15043, 15045, 15046, 15050, 15051, 15052, 15053, 15054, 15055, 15056, 15056.6, 15057, 15061, 15071, 15075, 15075.1, 15076, 15077, 15077.5, 15078, 15079, 15081, 15082, and 15087 of, and to amend the heading of Chapter 3 (commencing with Section 15020) of, the heading of Chapter 4 (commencing with Section 15030) of, the heading of Chapter 4.5 (commencing with Section 15035) of, and the heading of Chapter 5 (commencing with Section 15040) of Division 8 of, the Unemployment Insurance Code, relating to unemployment insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1127, as introduced, Shirley Horton. California Workforce Investment Board: statewide workforce preparation: assessment of programs.

Existing law provides that the State Job Training Coordinating Council is established to assess, among other things, the accomplishments of California's workforce preparation system, by measuring the performance of designated state and federally funded programs.

This bill would, for purposes of this duty, change obsolete references to the Job Training Partnership Act to the successor federal Workforce Investment Act of 1998, and rename the State Job Training Coordinating Council as the California Workforce Investment Board.

This bill would also make other technical, nonsubstantive and conforming changes to those provisions.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 15001 of the Unemployment Insurance  
2 Code is amended to read:

3 15001. It is the purpose of this division to establish a program  
4 of job preparation, training, and placement services ~~which~~ to  
5 enable economically disadvantaged persons to participate fully in  
6 the mainstream of our economy and thereby promote the  
7 economic security of families they now head or will in the future  
8 head, and which carries out the objectives, purposes and  
9 provisions of the Aid to Families with Dependent Children  
10 (AFDC) program established pursuant to Chapter 2 (commencing  
11 with Section 11200) of Part 3 of Division 9 of the Welfare and  
12 Institutions Code. To achieve these purposes it is the intent of the  
13 Legislature that a service system be implemented which  
14 incorporates the following elements:

15 (a) Integration of benefits and services under the Aid to  
16 Families with Dependent Children program with employment  
17 services, including the following:

18 (1) Application and screening of eligible participants.

19 (2) Assessment of each participant's employment potential and  
20 training needs.

21 (3) Immediate job search assistance and imparting of self-help  
22 job search skills for employment in unsubsidized jobs.

23 (4) Placement in appropriate training programs for those  
24 participants not otherwise job ready.

25 (b) Integration of those state and federal job training programs  
26 now authorized by law and designed to serve persons eligible  
27 under this division.

28 (c) Overall program direction by the department whose  
29 functions under this division shall include:



(1) Overall direction, under the policies established by the ~~State Job Training Coordinating Council~~ *California Workforce Investment Board*, of the statewide programs administered in ~~service delivery~~ *local workforce investment* areas under this division, including establishment of basic program standards consistent with the provisions of this division and the provisions of Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code, review of ~~service delivery~~ *local workforce investment* area plans, allocation and distribution to grant recipients selected within ~~service delivery~~ *local workforce investment* areas of funds from the block grant established pursuant to Chapter 8 (commencing with Section 15080), and assessment of ~~service delivery~~ *local workforce investment* area performance based on standards that measure results rather than process.

(2) Administration, either directly or by contract with another entity, of these statewide programs in ~~service delivery~~ *local workforce investment* areas that request the state to assume this function.

(3) Administration of demonstration programs testing innovative approaches to assisting clients eligible under this division to find unsubsidized employment.

(4) Administration of special assistance programs to areas facing urgent employment and training needs that cross jurisdictional lines or that result from major plant closures, arrival and resettlement of a significant number of refugees, or comparable circumstances.

(d) Local administration and operation of the statewide programs under this division, in accordance with an approved ~~service delivery~~ *local workforce investment* area plan.

(e) Planning, design, and local oversight by local ~~private industry councils~~ *workforce investment boards* pursuant to this division to ensure that the ~~service delivery~~ *local workforce investment* area plan responds appropriately to local economic conditions, local employment needs, and business and economic development strategies planned or being implemented within the area, as well as complies with the basic standards and provisions of this division.

(f) Streamlining of the funding for programs authorized under this division, in accordance with the following principles:

(1) Consolidation of funds in the Consolidated Work Program Fund pursuant to Section 15082, for distribution to the grant recipients selected within the ~~service-delivery~~ *local workforce investment* areas to carry out the approved plans, of:

(A) Those federal and state funds heretofore appropriated on a categorical basis for various programs authorized to provide job preparation, training, and placement services, which programs are integrated by this division into the locally operated statewide programs.

(B) Other funds that the federal government may make available or the Legislature may appropriate for the statewide programs.

(2) Retention by the department of the following funding sources:

(A) The ~~service-delivery~~ *local workforce investment* area's share of block grant funds distributed under paragraph (1), to support provision of services to ~~service-delivery~~ *local workforce investment* area residents eligible under this division, in those ~~service-delivery~~ *local workforce investment* areas where the state assumes this function in accordance with paragraph (2) of subdivision (c).

(B) Federal and state funds received for the operation of demonstration and special assistance programs serving persons eligible under this division. When a demonstration program and its funding level become suitable for statewide institutionalization, local administrative responsibility for the program shall be assigned to the administrative entity within the service delivery area and its funding shall be moved to the Consolidated Work Program Fund established under paragraph (1).

SEC. 2. Section 15002 of the Unemployment Insurance Code is amended to read:

15002. The following definitions shall govern the construction of this division:

(a) "Director" means the *Executive Director of the department California Workforce Investment Board* selected by the Governor to administer the provisions of this division.

(b) "Department" means the ~~department~~ *California Workforce Investment Board*, selected by the Governor to administer the provisions of this division.

(c) “Local council” means *one of the private industry council local workforce investment boards* established in accordance with the provisions of this division.

(d) ~~“State council” means the State Job Training Coordinating Council established under Chapter 4.5 (commencing with Section 15035) of Division 8~~ “California Workforce Investment Board” means *this state’s board created pursuant to Section 2821 of Title 29 of the United States Code.*

(e) ~~“Service delivery area plan”~~ “Local Workforce Investment Plan” means that plan prepared for the ~~service delivery local~~ workforce investment area which satisfies the requirements of a ~~Job Training Plan~~ workforce investment system under the provisions of the federal ~~Job Training Partnership Act~~ Workforce Investment Act of 1998, as amended, (29 U.S.C. Sec. 2801 and following) and the additional requirements of this division.

SEC. 3. Section 15003 of the Unemployment Insurance Code is amended to read:

15003. The Legislature finds and declares that ~~Section 126 of the federal Job Training Partnership Act~~ Workforce Investment Act of 1998 allows the enactment of state legislation to implement the ~~federal Job Training Partnership Act~~ programs of that federal act, provided the state legislation is consistent with that federal act.

SEC. 4. Section 15003.3 of the Unemployment Insurance Code is amended to read:

15003.3. Economically disadvantaged women and minorities shall be served with federal ~~Job Training Partnership Act funds~~ provided pursuant to the Workforce Investment Act of 1998, ~~with respect to Title I and Title II of the act,~~ at a rate that approximates their rate of representation and need for job training among the economically disadvantaged within each ~~service delivery local~~ workforce investment area.

SEC. 5. Section 15003.4 of the Unemployment Insurance Code is amended to read:

15003.4. It is the intent of the Legislature that, beginning January 1, 1998, welfare recipients shall be served with federal ~~Job Training Partnership Act funds~~ under Title II and Title III of that ~~act funds~~ provided pursuant to the Workforce Investment Act of 1998 to the maximum extent permitted under federal law within each ~~service delivery local~~ workforce investment area.

SEC. 6. Section 15003.5 of the Unemployment Insurance Code is amended to read:

15003.5. It is the intent of the Legislature that the Governor request a waiver from the United States Department of Labor on restrictions under regulations adopted pursuant to the federal ~~Job Training Partnership Act~~ *Workforce Investment Act of 1998* that prevent the provision of training and post termination services for the year after placement on a job and prevent the use of stand-alone job search, job club, job search assistance, and work experience activities, as appropriate, to prepare individuals for employment.

SEC. 7. Section 15005 of the Unemployment Insurance Code is amended to read:

15005. The designation of ~~service-delivery~~ *local workforce investment* areas shall be consistent with the requirements of the federal ~~Job Training Partnership Act~~ *Workforce Investment Act of 1998*. Units of general local government with populations of ~~200,000-500,000~~ or more and consortia of contiguous units of local government with an aggregate population of ~~200,000-500,000~~ or more which serve a substantial part of a labor market area shall be designated ~~service-delivery~~ *local workforce investment* areas, if they so request. Furthermore, consideration shall be given to ~~service-delivery~~ *local workforce investment* area requests from any unit of general local government, with a population level below ~~200,000-500,000~~, which served as a prime sponsor under the ~~Comprehensive Employment and Training Act~~ *Workforce Investment Act of 1998*.

SEC. 8. Section 15006 of the Unemployment Insurance Code is amended to read:

15006. (a) The Legislature recognizes that counties are the units of local government designated to administer public assistance programs in California. It is the intent of the Legislature that access to public assistance benefits be integrated with access to employment and training services provided pursuant to this division. In the event that another unit of general government within a county or a consortium of units of general local government is also designated as a ~~service-delivery~~ *local workforce investment* area pursuant to the federal ~~Job Training Partnership Act~~ *Workforce Investment Act of 1998*, the ~~service-delivery~~ *local workforce investment* area plan for that ~~service-delivery~~ *local workforce investment* area shall describe the agreed

upon methods and procedures whereby employment and training services to public assistance recipients are tied to and a part of the system of integrated access to Public Assistance and Employment and Training Services within the county. Counties shall provide full cooperation to those entities within the county administering a ~~service delivery~~ *local workforce investment* area plan to assist in the establishment of appropriate linkages.

(b) The ~~service delivery area~~ *local workforce investment area* plan for a ~~service delivery~~ *local workforce investment area* which ~~that~~ includes a county ~~which~~ *that* has an approved or proposed plan for the provision of employment and training services for public assistance recipients under Article 3.2 (commencing with Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code shall contain a certification by each county that the ~~service delivery~~ *local workforce investment* area plan is consistent with the county plan in the provision of sufficient services under this division for registrants under that article. If the ~~service delivery~~ *local workforce investment* area plan does not contain the county certification required under this subdivision, the ~~state council~~ *California Workforce Investment Board* shall certify that the ~~service delivery~~ *local workforce investment* area plan is consistent with the county plan in the provision of sufficient services under this division for registrants under that article.

SEC. 9. Section 15007 of the Unemployment Insurance Code is amended to read:

15007. The director, pursuant to policies established by the ~~state council~~ *California Workforce Investment Board*, shall allocate to units of general government designated as a ~~service delivery~~ *local workforce investment* area, such funds as may be determined prudent and necessary from funds available in the Consolidated Work Program Fund in excess of those funds provided by the federal ~~Job Training Partnership Act~~ *Workforce Investment Act of 1998*. Funds allocated from the Consolidated Work Program Fund shall be used in accordance with the enabling statutes of those programs in the fund.

SEC. 10. Section 15010 of the Unemployment Insurance Code is amended to read:

15010. Persons eligible to receive services provided under this division with funds from the Consolidated Work Program Fund including federal funds received through ~~Titles I and II~~



1 *Subchapters I and II* of, but excluding ~~Titles III and IV~~  
2 *Subchapters III and IV* of, the federal ~~Job Training Partnership Act~~  
3 *Workforce Investment Act of 1998* shall be limited to the  
4 following:

5 (a) Persons who have entered into contracts with counties for  
6 services under this division pursuant to Article 3.2 (commencing  
7 with Section 11320) of Chapter 2 of Part 3 of Division 9 of the  
8 Welfare and Institutions Code.

9 (b) Members of families ~~which that~~ are applicants for, are  
10 receiving, or ~~which that~~ would be eligible to receive, in the  
11 absence of services provided under this division, benefits provided  
12 by the Aid to Families with Dependent Children program pursuant  
13 to Chapter 2 (commencing with Section 11200) of Part 3 of  
14 Division 9 of the Welfare and Institutions Code.

15 (c) Persons who are receiving or who, in the absence of services  
16 provided under this division, would be eligible to receive food  
17 stamps pursuant to Chapter 10 (commencing with Section 18900)  
18 of Part 6 of Division 9 of the Welfare and Institutions Code.

19 (d) Persons who are receiving or would, in the absence of  
20 services provided under this division, qualify in the county of  
21 application for benefits under that county's general assistance  
22 program pursuant to Part 5 (commencing with Section 17000) of  
23 Division 9 of the Welfare and Institutions Code.

24 (e) Other persons who are eligible for services under the federal  
25 ~~Job Training Partnership Act~~ *Workforce Investment Act of 1998*.

26 SEC. 11. Section 15011 of the Unemployment Insurance  
27 Code is amended to read:

28 15011. (a) In the event that available funding is not sufficient  
29 to provide the full range of services authorized under this division  
30 to all those meeting the eligibility standards specified in Section  
31 15010, the department, pursuant to policies established by the ~~state~~  
32 ~~council~~ *California Workforce Investment Board*, shall establish  
33 criteria to be used in ~~service-delivery~~ *local workforce investment*  
34 areas in determining both of the following:

35 (1) The priority order among eligible persons for access to  
36 services.

37 (2) The priority order among the types of services to be  
38 provided.

39 These criteria shall provide sufficient flexibility in order that  
40 ~~local-service-delivery~~ *workforce investment* area plans can respond



1 to the needs of eligible groups for programs developed in response  
2 to local conditions.

3 (b) In establishing priority criteria, the department may  
4 establish proportions of funding that may be used for groups of  
5 eligible participants and for types of services, or the department  
6 may establish proportions of eligible groups to be served, or both.

7 (c) The priority order of eligible persons shall be in accordance  
8 with the order of eligibility set forth in Section 15010. This  
9 subdivision shall be operative unless there is a determination by  
10 the United States Department of Labor that it is inconsistent with  
11 federal law.

12 SEC. 12. Section 15012 of the Unemployment Insurance  
13 Code is amended to read:

14 15012. (a) Procedures and criteria for determining the  
15 eligibility of persons provided services under this division with  
16 federal funds received through the federal ~~Job Training~~  
17 ~~Partnership Act~~ *Workforce Investment Act of 1998* shall be in  
18 accordance with the provisions of that act.

19 (b) For purposes of participation and reporting of participation  
20 in programs funded under the ~~Job Training Partnership Act~~  
21 *Workforce Investment Act of 1998* only, and notwithstanding  
22 Sections 48260 and 54662 of the Education Code, a school  
23 dropout is defined as an individual who is no longer attending any  
24 school and who has not received a secondary school diploma or a  
25 certificate from a program of equivalency for that diploma.

26 (c) For purposes of authorizing a minor to participate in ~~Job~~  
27 ~~Training Partnership Act~~ *Workforce Investment Act of 1998*  
28 programs, the signature of a parent, guardian, or other responsible  
29 adult is required.

30 SEC. 13. The heading of Chapter 3 (commencing with  
31 Section 15020) of Division 8 of the Unemployment Insurance  
32 Code is amended to read:

33  
34 CHAPTER 3. ~~SERVICE DELIVERY~~ *LOCAL WORKFORCE INVESTMENT*  
35 *AREA ESTABLISHMENT AND RESPONSIBILITIES*  
36

37 SEC. 14. Section 15020 of the Unemployment Insurance  
38 Code is amended to read:

39 15020. There shall be established in each ~~service-delivery~~  
40 *local workforce investment* area, subject to the direction of the

1 chief elected officials acting in accordance with the provisions of  
2 this division, a system for providing job preparation, training and  
3 placement services to persons eligible under the provisions of this  
4 division. Elements of services to be provided by the system shall  
5 include, but are not necessarily limited to:

6 (a) Receiving applications for services and screening the  
7 applicants in accordance with priorities and services provided  
8 pursuant to a job preparation and training services plan.

9 (b) Assessment of an eligible participant's employment  
10 potential and training needs.

11 (c) Immediate job search assistance which provides applicants  
12 and recipients of public assistance with self-help job search skills  
13 and other job finding services which promote quick entry into  
14 unsubsidized jobs, with special emphasis on nontraditional jobs in  
15 the private sector for women.

16 (d) Basic and remedial education for those participants who  
17 have not received a secondary school diploma or a certificate from  
18 a program of equivalency for such a diploma.

19 (e) Job training services for those participants who without  
20 such training would be unable to obtain unsubsidized employment  
21 within a reasonable period of time.

22 (f) Job placement services for participants completing training  
23 programs.

24 (g) Specialized employment placement assistance, where  
25 appropriate, for individuals whose access to services is limited due  
26 to physical disabilities but who are otherwise eligible for services  
27 under the provisions of Chapter 2 (commencing with Section  
28 15010).

29 SEC. 15. Section 15020.1 of the Unemployment Insurance  
30 Code is amended to read:

31 15020.1. The Governor shall, after receiving the  
32 recommended ~~service-delivery~~ *local workforce investment* area  
33 designations of the ~~State Job Training Coordinating Council~~  
34 *California Workforce Investment Board*, publish a proposed  
35 designation of ~~service-delivery~~ *local workforce investment* areas.  
36 Counties, ~~cities, city/counties~~ *cities and counties*, and all other  
37 persons or organizations shall be given the opportunity to  
38 comment on and request revision of the proposed designation of  
39 ~~service-delivery~~ *local workforce investment* areas.

SEC. 16. Section 15020.2 of the Unemployment Insurance Code is amended to read:

15020.2. Each ~~service-delivery~~ *local workforce investment* area shall meet the following criteria:

(a) Be comprised of one or more units of general local government.

(b) Promote effective delivery of services to individuals pursuant to this division.

(c) Be consistent with labor market areas or standard metropolitan statistical areas. However, this subdivision shall not be construed to require designation of an entire labor market area as a ~~service-delivery~~ *local workforce investment* area.

(d) Be consistent with areas in which related services are provided under other state or federal programs.

SEC. 17. Section 15020.3 of the Unemployment Insurance Code is amended to read:

15020.3. The Governor shall approve a request to be a ~~service delivery~~ *local workforce investment* area from any of the following:

(a) Any unit of general local government with a population of ~~200,000~~ 500,000 or more.

(b) Any consortium of contiguous units of general local government with an aggregate population of ~~200,000~~ 500,000 or more that serves a substantial part of one or more labor market areas.

SEC. 18. Section 15020.5 of the Unemployment Insurance Code is amended to read:

15020.5. The final designation, approval, denial, or redesignation of ~~service-delivery~~ *local workforce investment* areas by the Governor shall be consistent with the requirements of the federal ~~Job Training Partnership Act (P.L. 97-300)~~ (*Public Law 105-220 Workforce Investment Act of 1998*, as amended).

SEC. 19. Section 15021 of the Unemployment Insurance Code is amended to read:

15021. The ~~private-industry-council~~ *local workforce investment board* and appropriate chief elected official or officials in each ~~service-delivery~~ *local workforce investment* area shall determine the entity to administer the ~~service-delivery~~ *local workforce investment* area plan and the organization and structure necessary to administer the system of services provided pursuant

1 to Section 15020. The administrative structure, however, shall, to  
2 the extent feasible, provide for the integration of the application  
3 of and access to employment and training services with the local  
4 organizational structure for administering benefits under the ~~Aid~~  
5 ~~to Families with Dependent Children~~ CalWORKs program and  
6 other public assistance programs. In addition, the ~~private industry~~  
7 ~~council~~ *local workforce investment board* and appropriate chief  
8 elected official or officials in each ~~service-delivery~~ *local*  
9 *workforce investment* area shall, to the extent feasible, promote the  
10 integration of employment and training resources available within  
11 the ~~service-delivery~~ *local workforce investment* area to eligible  
12 participants into a comprehensive employment services system.

13 SEC. 20. Section 15022 of the Unemployment Insurance  
14 Code is amended to read:

15 15022. All programs, services, policies, and procedures  
16 established in the ~~service-delivery~~ *local workforce investment* area  
17 pursuant to the requirements of this division, including the  
18 expenditures of all public funds, shall be in accordance with the  
19 ~~service-delivery~~ *local workforce investment* area plan, prepared in  
20 accordance with the provisions of Chapter 5 (commencing with  
21 Section 15040) and as approved by the department.

22 SEC. 21. Section 15023 of the Unemployment Insurance  
23 Code is amended to read:

24 15023. (a) In their administration and management of the  
25 ~~services~~ *local workforce investment* system established under this  
26 chapter, the appropriate local elected officials in each ~~service~~  
27 ~~delivery~~ *local workforce investment* area shall act in a manner that  
28 promotes and supports the powers, duties, and functions of the  
29 ~~local private industry council~~ *local workforce investment board* as  
30 set forth in Chapter 4 (commencing with Section 15030).

31 (b) The unit of general local government or each unit of general  
32 local government that is a member of a consortium described in  
33 Section 15025, that has been designated by the Governor as a  
34 ~~service-delivery~~ *local workforce investment* area pursuant to this  
35 chapter and the federal ~~Job Training Partnership Act (P.L. 97-300)~~  
36 *Workforce Investment Act of 1998*, as amended, shall be liable to  
37 the agency designated by the Governor pursuant to Section 15050  
38 for all funds not expended in accordance with this division, and  
39 shall return to that agency all of those funds.

SEC. 22. Section 15024 of the Unemployment Insurance Code is amended to read:

15024. In accordance with ~~Section 107 of the federal Job Training Partnership Act (P.L. 97-300)~~ *Workforce Investment Act of 1998*, as amended, the entity administering the ~~service-delivery~~ *local workforce investment* area plan in each ~~service-delivery~~ *local workforce investment* area may contract with state departments or public and private agencies or organizations for the provision of services to persons eligible under this division who need or would benefit from those services. Funds provided under the federal ~~Job Training Partnership Act (P.L. 97-300)~~ *Workforce Investment Act of 1998*, as amended, shall not be used to duplicate facilities or services available in the area, either with or without reimbursement from federal, state, or local sources, unless it is demonstrated that alternative services or facilities would be more effective or more likely to achieve the ~~service-delivery~~ *local workforce investment* area's performance goals.

SEC. 23. Section 15025 of the Unemployment Insurance Code is amended to read:

15025. When contiguous units of general local government form a consortium designated by the Governor as a ~~service-delivery~~ *local workforce investment* area pursuant to Section 15050, these local government entities shall establish a joint powers entity through a joint powers agreement that empowers the entity to fulfill the requirements of this division and the federal ~~Job Training Partnership Act (P.L. 300)~~, as amended *Workforce Investment Act of 1998*. The department shall give its full cooperation and assistance in assuring the effective, efficient formulation and operations of the consortium.

SEC. 24. Section 15026 of the Unemployment Insurance Code is amended to read:

15026. (a) In order to assure the proper and efficient management of the job preparation and training services system, ~~service-delivery~~ *local workforce investment* areas shall participate in a statewide reporting system for management information and fiscal reporting to meet federal, state, and local information, auditing, and control requirements. Establishment and maintenance of these systems shall be the responsibility of the department and shall include ~~participant~~ *participants'* social security ~~number~~ *numbers* and other information deemed necessary

1 by the department to provide required federal and state reporting.  
2 Reports shall be provided to the department containing such  
3 information as the department requires. The reporting  
4 requirements shall be determined with the assistance of local  
5 elected officials and ~~private industry councils~~ *local workforce*  
6 *investment boards*. Except as provided in Section 322, the  
7 information gathered pursuant to this section shall be subject to the  
8 confidentiality requirements contained in Section 1094.

9 (b) The information systems established pursuant to this  
10 section shall, where appropriate, complement the information  
11 system authorized in Chapter 4.1 (commencing with Section  
12 ~~10815~~ *10816*) of Part 2 of Division 9 of the Welfare and  
13 Institutions Code.

14 SEC. 25. Section 15028 of the Unemployment Insurance  
15 Code is amended to read:

16 15028. If the director finds that employment and training  
17 services in a ~~service delivery~~ *local workforce investment* area are  
18 not being administered in compliance with the provisions of this  
19 division, he or she may notify the ~~state council~~ *California*  
20 *Workforce Investment Board* and request a hearing concerning  
21 whether funds should be withheld from the ~~service delivery~~ *local*  
22 *workforce investment* area. The director shall notify the  
23 appropriate local elected officials and ~~private industry council~~  
24 *local workforce investment board* in the subject ~~service delivery~~  
25 *local workforce investment* area of any such request. The ~~state~~  
26 ~~council~~ *California Workforce Investment Board* shall set the  
27 matter for hearing within 30 days after the receipt of the request  
28 by the director, and shall recommend to the Governor what action  
29 should be taken, if any, within 15 days after the conclusion of the  
30 hearing.

31 If the ~~state council~~ *California Workforce Investment Board*  
32 recommends that funding should be withheld from the ~~service~~  
33 ~~delivery~~ *local workforce investment* area it shall also recommend  
34 an entity or entities to provide employment and training services  
35 within the ~~service delivery~~ *local workforce investment* area until  
36 the appropriate local elected officials and ~~private industry council~~  
37 *local workforce investment board* offer reasonable assurances of  
38 their intention and ability to comply with the requirements of this  
39 division. If the director's findings involve fraud or  
40 misappropriation of funds, he or she may immediately withhold



funds from the subject ~~service-delivery~~ *local workforce investment* area pending the hearing by the ~~state council~~ *California Workforce Investment Board* and decision by the Governor.

SEC. 26. Section 15029 of the Unemployment Insurance Code is amended to read:

15029. The director shall investigate and shall make a formal declaration of findings regarding a complaint filed with the director by a recipient organization or a number of participants that present evidence of failure to comply with provisions of this division within a ~~service-delivery~~ *local workforce investment* area. This declaration shall be made within 60 days of the complaint being filed. A copy of the declaration shall be transmitted to the ~~state council~~ *California Workforce Investment Board*.

SEC. 27. Section 15029.5 of the Unemployment Insurance Code is amended to read:

15029.5. (a) The director, upon review of the ~~State Job Training Coordinating Council~~ *California Workforce Investment Board*, may appeal to the United States Secretary of Labor for a reduction in the amount of a disallowed cost or a determination that no disallowed cost should be returned to the state by a ~~service-delivery~~ *local workforce investment* area or by a ~~service~~ *local workforce investment* provider if it is found that an extenuating circumstance exists and that a good faith effort was made to properly administer programs. In the event the United States Secretary of Labor refuses to grant the appeal, the ~~service-delivery~~ *local workforce investment* area shall be liable for disallowed costs which occur as a result of failure by the ~~service-delivery~~ *local workforce investment* area to conform to federal or state laws or regulations, or both. The department shall develop regulations which define extenuating circumstances and good faith effort.

(1) The regulatory definition of “extenuating circumstances” ~~shall include~~ *includes*, but is not be limited to, all of the following:

(A) Strikes and disasters.

(B) Errors by state staff in policy interpretation.

(C) Sudden and significant workload changes resulting from changes in law or regulations, or from significant and unpredictable participant growth.

(D) Failure of a governmental agency outside the control of the ~~service-delivery~~ *local workforce investment* area governing body



1 or of the ~~service~~ *local workforce investment* provider to complete  
2 an agreed-upon activity.

3 (2) The regulatory definition of “good faith effort” shall be  
4 based upon factors including, but not limited to, all of the  
5 following:

6 (A) Demonstrated commitment to the elimination of errors,  
7 such as established priorities and goals, accountability for  
8 performance, and monitoring of progress.

9 (B) Consideration of clerical errors neither grossly negligent  
10 nor criminal.

11 (C) Sufficient quality operational systems designed to  
12 eliminate errors, such as use of computer clearance and review  
13 processes.

14 (D) Implementation of effective systems and procedures, such  
15 as error-prone profiles and corrective action committees for the  
16 statistical and program analysis of quality control and related data.

17 (b) Nothing in the section shall be construed to limit state  
18 authority to pass on federal fiscal sanctions to the ~~service-delivery~~  
19 *local workforce investment* areas on ~~service-local workforce~~  
20 *investment* providers, provided, however, that the portion of a  
21 federal sanction, due to differences between state and federal  
22 regulation, or due to failure by a governmental agency outside the  
23 control of the ~~service-delivery-local workforce investment~~ area’s  
24 governing body on the ~~service-local workforce investment~~  
25 provider confirmed by the state and not apportionable to the  
26 agency, shall be apportioned to the state.

27 (c) The ~~State Job Training Coordinating Council-California~~  
28 *Workforce Investment Board* shall report to the Legislature, no  
29 later than 180 days following the effective date of this section, a  
30 recommended formula, developed with the assistance of the  
31 department and the ~~private-industry councils, which local~~  
32 *workforce investment boards, that* apportions fiscal responsibility  
33 for state and federal quality control sanctions between the state and  
34 the ~~service-delivery-local workforce investment~~ areas.

35 SEC. 28. The heading of Chapter 4 (commencing with  
36 Section 15030) of Division 8 of the Unemployment Insurance  
37 Code is amended to read:  
38

1 CHAPTER 4. ESTABLISHMENT AND FUNCTIONS OF ~~PRIVATE~~  
2 ~~INDUSTRY COUNCILS~~ *LOCAL WORKFORCE INVESTMENT BOARDS*

3  
4 SEC. 29. Section 15030 of the Unemployment Insurance  
5 Code is amended to read:

6 15030. In order to assure a more cooperative relationship  
7 between government and the private sector, a relationship that  
8 promotes a system of job preparation and training services most  
9 responsive to the needs and interests of the private sector and the  
10 participants, there shall be a ~~private industry council~~ *local*  
11 *workforce investment board* established in each ~~service delivery~~  
12 *local workforce investment* area.

13 SEC. 30. Section 15031 of the Unemployment Insurance  
14 Code is amended to read:

15 15031. (a) The ~~service delivery~~ *local workforce investment*  
16 *area's private industry council* *local workforce investment board*  
17 shall be appointed by the chief elected officials of the local  
18 government unit or units involved, and shall be of the size as the  
19 unit or units deem appropriate for the purposes of this division,  
20 except that ~~service delivery~~ *local workforce investment* areas with  
21 a total population in excess of 2,500,000 persons shall have a  
22 minimum of 29 members.

23 (1) The chairperson and at least one-half of the remaining  
24 members shall represent both large and small businesses in the  
25 private sector, who shall be owners of business concerns, chief  
26 executives or chief operating officers of business concerns who  
27 have or have had substantial policy and management  
28 responsibility, or their designees.

29 (2) (A) Not less than 15 percent of the members shall represent  
30 organized labor and community-based organizations, including  
31 those serving minority populations, and shall include minority  
32 representatives, as appropriate.

33 (B) The labor representatives on the ~~council~~ *local workforce*  
34 *investment board* shall be selected from individuals recommended  
35 by recognized state and local labor federations. If the state or local  
36 labor federation fails to nominate a sufficient number of  
37 individuals to meet the labor representation requirements,  
38 individual workers may be included on the ~~council~~ *local workforce*  
39 *investment board* to complete the labor representation.

40 (3) Additional members shall represent each of the following:

1 (A) Educational agencies that shall be representative of all  
2 educational agencies in the ~~service-delivery-local workforce~~  
3 ~~investment~~ area.

4 (B) Vocational rehabilitation agencies.

5 (C) Public assistance agencies.

6 (D) Economic development agencies.

7 (E) The public employment service funded under the federal  
8 Wagner-Peyser Act.

9 (4) Education representatives on the ~~council~~ *local workforce*  
10 *investment board* shall be selected from among individuals  
11 nominated by regional or local educational agencies, vocational  
12 education institutions, institutions of higher education (including  
13 entities offering adult education), or general organizations of these  
14 agencies or institutions within the ~~service-delivery-local~~  
15 ~~workforce investment~~ area.

16 (5) The remaining members of the ~~council~~ *local workforce*  
17 *investment board* shall be selected from individuals recommended  
18 by interested organizations.

19 (6) The composition of the ~~private-industry-council~~ *local*  
20 *workforce investment board* shall, to the extent feasible, represent  
21 the racial and ethnic characteristics of the ~~service-delivery-local~~  
22 ~~workforce investment~~ area.

23 (b) The representatives on the ~~council~~ *local workforce*  
24 *investment board* designated in paragraphs (1), (2), and (3) of  
25 subdivision (a) shall be selected in accordance with the federal ~~Job~~  
26 ~~Training Partnership Act~~ *Workforce Investment Act of 1998*.

27 (c) Members shall be appointed for fixed and staggered terms  
28 of a duration deemed appropriate by the chief elected officials in  
29 the ~~service-delivery-local workforce investment~~ area, but in any  
30 case shall not be less than two years. Members may serve past the  
31 expiration date of their appointment until their successors are  
32 appointed.

33 (d) No member representing private industry may be  
34 represented by an alternate at meetings of the ~~council~~ *local*  
35 *workforce investment board*.

36 (e) All vacancies occurring subsequent to the initial  
37 appointments to the ~~private-industry-council~~ *local workforce*  
38 *investment board* shall be filled within 60 days of their occurrence  
39 in the same manner as the original appointments by the chief

1 elected official or officials in the ~~service-delivery~~ *local workforce*  
2 *investment area*.

3 SEC. 31. Section 15031.5 of the Unemployment Insurance  
4 Code is amended to read:

5 15031.5. The Governor shall certify a ~~private industry council~~  
6 *local workforce investment board* if the Governor determines that  
7 its composition and appointments are consistent with the  
8 provisions of this chapter. ~~Such~~ This certification shall be made or  
9 denied within 30 days after the date on which a list of members and  
10 necessary supporting documentation are submitted to the  
11 Governor. When the Governor certifies the ~~council~~ *local*  
12 *workforce investment board*, it shall be convened within 30 days  
13 by the official or officials who made the appointments to ~~such~~  
14 ~~council~~ *the local workforce investment board* pursuant to Section  
15 15031. ~~Certification of private industry councils under this section~~  
16 ~~shall not be required prior to January 1, 1984.~~

17 SEC. 32. Section 15032 of the Unemployment Insurance  
18 Code is amended to read:

19 15032. ~~It shall be the duty of the council to~~ *The local*  
20 *workforce investment board shall do all of the following:*

21 (a) Design and plan the program of job preparation and training  
22 services for the ~~service-delivery~~ *local workforce investment area*,  
23 which shall include all of the following:

24 (1) Establishing the ~~service-delivery~~ *local workforce*  
25 *investment area's* eligibility and services priorities.

26 (2) Determining the types of services and training to be  
27 provided.

28 (3) Determining the industries and occupations for training.

29 (4) Establishing criteria for the content and quality of training.

30 (5) Determining the entities which will deliver the training and  
31 services.

32 (6) Determining the annual utilization of available funds and  
33 resources and preparing the program budget.

34 (b) Survey local employment needs and local economic  
35 conditions, including a description of *the following*:

36 (1) Unemployed, underemployed and "discouraged" workers.

37 (2) Jobs lost and jobs created in the region.

38 (3) Local labor market supplies and migratory patterns.

39 (4) Labor force training needs and skills assessment.

40 (5) Linkages with small businesses.

1 (6) Economic development strategies, implemented or planned  
2 for the region and their employment impact.

3 (7) Employment by private industry receiving contracts, loans,  
4 industrial revenue bonds, grants, tax abatements, or preferential  
5 zoning from the local governing body.

6 (c) Guide the development of the ~~service-delivery-local~~  
7 *workforce investment* area plan prepared in accordance with the  
8 provisions of Chapter 5 (commencing with Section 15040) to  
9 assure that it conforms with the priorities, criteria, and standards  
10 set forth by the ~~council~~ *local workforce investment board* pursuant  
11 to subdivision (a).

12 (d) Monitor the performance of the job preparation and training  
13 services system to assure its compliance with the ~~service-delivery~~  
14 ~~area-local workforce investment~~ plan, and through utilization of  
15 performance criteria established pursuant to this division, assess  
16 the levels of success achieved by the system. Where the system's  
17 performance is not up to standard, the ~~council~~ *local workforce*  
18 *investment board* shall propose modifications which maximize  
19 successful outcomes.

20 (e) Assure that the system is fully responsive to the  
21 employment needs of the private sector, program participants, and  
22 the economic conditions occurring within the ~~service-delivery~~  
23 *local workforce investment* area, and assure that the system is  
24 compatible with and supportive of federal, state, and local  
25 business and economic development activities occurring within  
26 the ~~service-delivery-local workforce investment~~ area.

27 (f) Promote the integration of the system with all other job  
28 training, vocational education, and employment services  
29 resources available within the ~~service-delivery-local workforce~~  
30 *investment* area, including the joint development of plans with the  
31 Employment Development Department for local offices for  
32 employment services, local educational agencies for vocational  
33 education programs pursuant to the provisions of Chapter 7  
34 (commencing with Section 15070), and county welfare  
35 departments for services to participants under Article 3.2  
36 (commencing with Section 11320) of Chapter 2 of Part 3 of  
37 Division 9 of the Welfare and Institutions Code.

38 (g) Promote the transition of participants served by the system  
39 into full-time unsubsidized jobs with special emphasis on  
40 nontraditional jobs in the private sector for women.

For purposes of this subdivision, nontraditional employment in the private sector for women shall be deemed to include employment in any occupation in which not more than 25 percent of the employees are women.

(h) Consult quarterly with the local child care resource and referral agency to review data on the need for child care and development services for participants eligible for services under this division.

(i) Develop and implement a plan for participation in the planning process, program development, and program evaluation by representatives of eligible participants and ~~service local workforce investment~~ providers within the ~~service-delivery local workforce investment~~ area, including all types of public and private vocational education agencies and schools, public assistance recipients, participants in services under this division, and child care resource and referral agencies.

(j) Prepare and distribute to interested parties a quarterly program assessment for review and comment.

SEC. 33. Section 15032.5 of the Unemployment Insurance Code is amended to read:

15032.5. The ~~private industry council~~ *local workforce investment board*, in order to carry its functions:

(a) Shall, in accordance with its plan, prepare and approve a budget for itself.

(b) May hire staff, incorporate, and solicit and accept contributions and grant funds from other sources.

(c) Shall have access to information concerning the operation of programs covered under the ~~service-delivery local workforce investment~~ area plan.

SEC. 34. Section 15033 of the Unemployment Insurance Code is amended to read:

15033. The chief elected official or officials for the ~~service delivery local service investment~~ area shall, every two years following the Governor's biennial certification of the ~~private industry council~~ *local workforce investment board*, appoint a chairperson from among the private sector members on the ~~private industry council~~ *local workforce investment board*. The ~~private industry council~~ *local workforce investment board* may appoint other officers as it deems necessary.



1 SEC. 35. Section 15034 of the Unemployment Insurance  
2 Code is amended to read:

3 15034. Members of the ~~council~~ *local workforce investment*  
4 *board* shall be reimbursed only for their necessary and actual  
5 expenses incurred in the performance of their official duties.

6 SEC. 36. The heading of Chapter 4.5 (commencing with  
7 Section 15035) of Division 8 of the Unemployment Insurance  
8 Code is amended to read:

9  
10 CHAPTER 4.5. ~~STATE JOB TRAINING COORDINATING~~  
11 ~~COUNCIL~~ *CALIFORNIA WORKFORCE INVESTMENT BOARD*  
12

13 SEC. 37. Section 15035 of the Unemployment Insurance  
14 Code is amended to read:

15 15035. To promote integration of work force preparation  
16 programs at the state level, to further cooperation between  
17 government and the private sector in meeting California  
18 employers' needs for well-trained workers and California  
19 workers' needs for good jobs, to provide oversight of programs  
20 operated pursuant to ~~the this~~ division, and to meet federal  
21 requirements of ~~Section 122 of Part B of Title I of the Job Training~~  
22 ~~Partnership Act of 1982, the Workforce Investment Act of 1998, the~~  
23 ~~State Job Training Coordinating Council—California Workforce~~  
24 ~~Investment Board~~ is established.

25 SEC. 38. Section 15036 of the Unemployment Insurance  
26 Code is amended to read:

27 15036. The ~~state council—California Workforce Investment~~  
28 ~~Board~~ shall consist of 30 members, appointed by the Governor  
29 from nominations as provided in this section, and as required by  
30 federal law, and be representative of the population of the state  
31 with regard to sex, race, ethnic background, and geographical  
32 distribution. The Governor shall appoint one nongovernmental  
33 member to be the chairperson of the ~~council board~~, who shall serve  
34 in this capacity at the pleasure of the Governor. The appointment  
35 of the chairperson and the appointments of members designated  
36 under subdivisions (d) and (e) shall be subject to confirmation by  
37 the Senate.

38 (a) Nine members shall be representatives of large and small  
39 business, industry, and agriculture. Eight of these members shall  
40 be owners of business concerns, chief executives, or chief



operating officers of business concerns or other private sector executives who have or have had substantial management or policy responsibilities for an autonomous part of a business. Of these, at least four shall be current or past members of a ~~private industry council~~ *local workforce investment board*. One shall be a representative from a general purpose organization representing business interests. One of the members shall also have a record of employing a significant number of disabled persons.

(b) Seven members shall be representatives of state government. These representatives shall be a Member of the Senate nominated by the Senate Committee on Rules, a Member of the Assembly nominated by the Speaker of the Assembly, the Lieutenant Governor, the Superintendent of Public Instruction, the Secretary of ~~Health and Welfare~~, *Health and Human Services*, the Secretary of Business, Transportation and Housing, and the Chancellor of the California Community Colleges, or their designees.

(c) Two members shall be representatives of local government. One shall be a member of a county board of supervisors, and shall be nominated by the County Supervisors' Association of California. One shall be a member of a city council, and shall be nominated by the League of California Cities.

(d) Nine members shall be representatives of organized labor and community-based organizations. Of these, at least four shall represent organized labor.

(e) Three members shall be from the general public.

(f) The members appointed pursuant to subdivisions (d) and (e) shall include those who have substantial experience in local vocational organizations serving youth, providing services or advocacy for the population eligible for services, private proprietary schools, veterans' organizations, and organizations serving older Californians.

In the event that the Governor finds an insufficient number of acceptable nominees in a given category, he or she shall return the nomination lists to the respective nominating bodies within 10 days of receipt. The bodies shall then have 10 days to submit new lists of nominees. If nominations are not received within 10 days, members shall be appointed at the discretion of the Governor.

SEC. 39. Section 15037 of the Unemployment Insurance Code is amended to read:

1 15037. The California Workforce Investment Board shall *do*  
2 *all of the following*:

3 (a) Review and comment on the state workforce development  
4 plan developed pursuant to Section 11011.

5 (b) Develop and recommend to the Governor a coordination  
6 and special services plan, which includes a dislocated workers  
7 assistance plan, in accordance with Chapter ~~4.5~~ 7.5 (commencing  
8 with Section ~~10510~~ ~~of Part 1~~ 15075) of Division 3 8.

9 (c) Recommend to the Governor ~~local service delivery~~ *local*  
10 *workforce investment* areas. To the extent permitted by federal law,  
11 designation of ~~service delivery~~ *local workforce investment* areas  
12 shall reflect the intent of the Legislature to integrate and coordinate  
13 employment and training services, public assistance programs,  
14 and other educational and training efforts as may exist which are  
15 designed to assist individuals in preparing for participation in the  
16 labor force.

17 (d) To the extent permitted by federal law, establish policies  
18 ~~which~~ *that* shall be followed by the department in performing all  
19 of the following functions:

20 (1) Approval of local ~~service delivery~~ *workforce investment*  
21 area plans.

22 (2) Establishment of standards, criteria, and reporting  
23 requirements established by the department pursuant to this  
24 division with respect to local ~~service delivery~~ *workforce*  
25 *investment* area plans.

26 (3) Allocation of funds for ~~local service delivery~~ *local*  
27 *workforce investment* area plans, including funds for plans  
28 submitted under Chapter 7.5 (commencing with Section 15075).

29 (e) Plan, review, and approve the allocation, recapture, and  
30 reallocation of federal funds received by the state pursuant to the  
31 federal ~~Job Training Partnership Act~~ *Workforce Investment Act of*  
32 *1998*. Funds received by the state in accordance with ~~Sections~~  
33 ~~202(e)(1)(C) and 262 (e)(1)(C)~~ of that act shall be allocated to the  
34 Superintendent of Public Instruction as necessary to meet the need  
35 determined by the superintendent pursuant to Section 33117.5 of  
36 the Education Code. The board shall be deemed to have approved  
37 the disbursement of funds when the Governor approves a decision  
38 of the board specifying a budget for an authorized program or  
39 activity and designating the department or agency responsible for  
40 the expenditure of the budgeted funds. An agreement shall be

1 entered into between the Employment Development Department  
2 and the State Department of Education and shall provide that ~~Job~~  
3 ~~Training Partnership Act~~ *federal Workforce Investment Act of*  
4 *1998* funds provided for the purposes of Section 33117.5 of the  
5 Education Code shall be utilized for payment to local educational  
6 agencies.

7 (f) Review and approve the annual labor market and  
8 occupational supply and demand information plan developed  
9 pursuant to Section 10532.

10 (g) Consider and advise the director on all matters connected  
11 with the administration of this code as submitted to it by the  
12 director, and may upon its own initiative recommend changes in  
13 administration as it deems necessary.

14 (h) Review and comment to the Governor and the Legislature  
15 on the annual report prepared in accordance with Section 15064.

16 (i) Serve as the body responsible for making recommendations  
17 to the Governor when the director proposes to withdraw funding  
18 pursuant to Section 15028.

19 SEC. 40. Section 15037.1 of the Unemployment Insurance  
20 Code is amended to read:

21 15037.1. (a) The ~~state council~~ *California Workforce*  
22 *Investment Board* shall be responsible for developing an education  
23 and job training report card program to assess the  
24 accomplishments of California's workforce preparation system.

25 (1) A subcommittee of the ~~state council~~ *California Workforce*  
26 *Investment Board* shall be established for this purpose.

27 (2) The subcommittee shall be comprised of three private  
28 sector members of the ~~state council~~ *California Workforce*  
29 *Investment Board*, the director of the department, the  
30 Superintendent of Public Instruction, the Chancellor of the  
31 California Community Colleges, or their designees, and  
32 representatives of programs that are to be measured under the  
33 report card program.

34 (3) The subcommittee shall be responsible for designing and  
35 implementing, or contracting with an operating entity for the  
36 implementation of, a system that can compile, maintain, and  
37 disseminate information on the performance of providers,  
38 programs, and the overall workforce preparation system.

39 (b) By January 1, 2001, the subcommittee or an operating  
40 entity under contract to the subcommittee shall operate a

1 comprehensive performance-based accountability system that  
2 matches the social security numbers of former participants in state  
3 education and training programs with information in files of state  
4 and federal agencies that maintain employment and educational  
5 records and identifies the occupations of those former participants  
6 whose social security numbers are found in employment records.

7 (c) This system shall measure the performance of state and  
8 federally funded education and training programs for the purpose  
9 of system, program, and instructional improvement. Programs to  
10 be measured shall include programs in receipt of funds from the  
11 ~~Job Training Partnership Act~~ *federal Workforce Investment Act of*  
12 *1998*, the Carl D. Perkins Vocational Education Act, the Job  
13 Opportunities and Basic Skills program, the Food Stamp  
14 Employment and Training program, the Wagner Peyser Act, the  
15 Employment Training Panel, adult education programs as defined  
16 by paragraph (9) of subdivision (b) of Section 10521, basic  
17 vocational rehabilitation services as defined by Part B of Title 1 of  
18 the federal Vocational Rehabilitation Act of 1973, as amended (29  
19 U.S.C. Sec. 701 ~~et seq.~~ *and following*), vocational education  
20 programs, and certificated community college programs.

21 (d) Job training and education providers receiving funding  
22 identified in subdivision (c) shall, to the extent permitted by  
23 federal law, request social security numbers from each participant  
24 18 years of age and over and not currently enrolled in high school  
25 and participating in a workforce preparation program and shall  
26 report to the subcommittee or an operating entity under contract  
27 to the subcommittee, as the case may be, on ~~participant~~  
28 *participants'* social security numbers and economic and  
29 demographic characteristics, including, but not limited to, age,  
30 gender, race or ethnicity, and education achievement. The ~~state~~  
31 ~~council~~ *California Workforce Investment Board* shall establish the  
32 acceptable format and timeframes for data submission.

33 (e) The system shall be designed to measure factors such as *the*  
34 *following*:

35 (1) Amount and source of funding.

36 (2) Program entrance and successful completion rates.

37 (3) Employment and wage information for one and three years  
38 after completion of training.

39 (4) The relationship of training to employment.

1 (5) Academic achievement for one and three years after  
2 completion of training.

3 (6) Achievement of industry skill standard certifications,  
4 where they exist.

5 (7) Return on public investment.

6 (f) Based upon the information compiled pursuant to this  
7 section, the subcommittee, or an operating entity under contract  
8 to the subcommittee, ~~as the case may be~~, shall, by December 31,  
9 1997, and each December 31 thereafter, do all of the following:

10 (1) Prepare and disseminate report cards for all training and  
11 education providers in receipt of funds included in the tracking  
12 system.

13 (2) Prepare and disseminate local and statewide report cards  
14 that measure the outcomes of the individual programs that operate  
15 as part of the workforce development system.

16 (3) Prepare and disseminate a state report card that measures  
17 the performance of the entire system of workforce preparation and  
18 the effectiveness of the system in meeting employers' needs for  
19 educated and trained workers and the clients' needs for improving  
20 their economic well-being.

21 (g) The ~~state council~~ *California Workforce Investment Board*  
22 shall develop objective performance standards emphasizing the  
23 principles of continuous improvement for the programs covered  
24 under this section, and a system of sanctions and incentives to  
25 encourage performance that meet these standards.

26 (h) The ~~state council~~ *California Workforce Investment Board*  
27 shall explore the feasibility of including the following persons in  
28 this system:

29 (1) Attendees at private postsecondary institutions.

30 (2) Recipients of federal student loans.

31 (3) Recipients of Pell grants.

32 (4) Pupils in grades 11 and 12.

33 (5) Students enrolled in any community college, California  
34 State University, or University of California program.

35 (i) The sole purpose of this section is to assess the performance  
36 of state and federal employment and training providers and  
37 programs in preparing Californians for the workforce. Collection  
38 and use of social security numbers pursuant to this section shall be  
39 consistent with the requirements of Section 7 of the federal Privacy  
40 Act of 1974 (P.L. 93-579) and Section 405(c)(2)(C) of Title 42 of

1 the United States Code. Notwithstanding Chapter 3.5  
2 (commencing with Section 6250) of Division 7 of Title 1 of the  
3 Government Code, or any other provision of law, the social  
4 security number of any person obtained pursuant to this section is  
5 not a public record, and shall not be disclosed except for the  
6 purpose of this section. Information obtained pursuant to this  
7 section shall not be sold or distributed to any entity without prior  
8 consent from the individual, or his or her parent or guardian, with  
9 respect to whom the information is gathered. This subdivision  
10 does not prohibit the exchange of information with other  
11 governmental departments and agencies, both federal and state,  
12 that are concerned with the administration of workforce  
13 development programs. Neither the subcommittee nor an  
14 operating entity under contract to the subcommittee, ~~as the case~~  
15 ~~may be,~~ may make public any information that could identify an  
16 individual or his or her employer.

17 (j) An education and training program that requires  
18 information gathered by the education and job training report card  
19 program shall use the report card program and shall not initiate  
20 automated matching of records in duplication of methods already  
21 in place as a result of the report card program.

22 (k) Funding for the development and maintenance of the  
23 education and job training report card program shall be made  
24 available on a shared basis by the programs the report card  
25 program is measuring, to the extent authorized by federal and state  
26 law. The subcommittee, or the operating entity under contract to  
27 the subcommittee, shall have the authority to assess each of the  
28 programs with an appropriate share of the costs of the report card  
29 program. Administrative funds currently used for program  
30 followup activities for the identified programs shall be redirected  
31 for this purpose, if authorized by federal law.

32 (l) ~~The state council~~ *California Workforce Investment Board*  
33 shall apply for any federal waivers that may be necessary to  
34 implement this section.

35 SEC. 41. Section 15037.3 of the Unemployment Insurance  
36 Code is amended to read:

37 15037.3. It is the intent of the Legislature that resources  
38 available under this division be used to support services provided  
39 under the California Conservation Corps. To that end, the ~~council~~  
40 *California Workforce Investment Board* shall develop guidelines



1 and procedures for the identification referral by the ~~private~~  
2 ~~industry councils~~ *local workforce investment boards* of eligible  
3 youth who would benefit from service in the California  
4 Conservation Corps, if the referral is deemed appropriate by the  
5 ~~councils~~ *local workforce investment boards* in their ~~service~~  
6 ~~delivery~~ *local workforce investment area plans*, and for the  
7 funding of ~~such~~ *those* services through the consolidated work  
8 fund.

9 SEC. 42. Section 15037.5 of the Unemployment Insurance  
10 Code is amended to read:

11 15037.5. The plans and decisions of the ~~state council~~  
12 *California Workforce Investment Board* shall be subject to  
13 approval by the Governor.

14 SEC. 43. Section 15038 of the Unemployment Insurance  
15 Code is amended to read:

16 15038. In order to assure objective management and  
17 oversight, the ~~state council~~ *California Workforce Investment*  
18 *Board* shall not operate programs or provide services directly to  
19 eligible participants, but shall exist solely to plan, coordinate, and  
20 monitor the provisions of ~~such~~ *those* programs and services.

21 SEC. 44. Section 15038.5 of the Unemployment Insurance  
22 Code is amended to read:

23 15038.5. (a) The ~~state council~~ *California Workforce*  
24 *Investment Board* shall meet at such times and in such places as it  
25 deems necessary.

26 (b) Under no circumstances shall the ~~state council~~ *California*  
27 *Workforce Investment Board* permit absentee or proxy voting at  
28 any of its proceedings.

29 SEC. 45. Section 15039 of the Unemployment Insurance  
30 Code is amended to read:

31 15039. The ~~state council~~ *California Workforce Investment*  
32 *Board* shall succeed to the Employment Services Board and the  
33 former state employment and training council created under  
34 Section 10524.

35 SEC. 46. Section 15039.5 of the Unemployment Insurance  
36 Code is amended to read:

37 15039.5. The ~~state council~~ *California Workforce Investment*  
38 *Board* may employ personnel necessary to carry out its  
39 responsibilities. All personnel of the ~~council~~ *board* shall be under  
40 the supervision of the chairperson or an executive director to



1 whom he or she delegates this responsibility. All personnel shall  
2 be appointed pursuant to the State Civil Service Act established  
3 pursuant to Part 1 (commencing with Section 18000) of Division  
4 5 of Title 2 of the Government Code, except the executive director  
5 who shall be exempt.

6 SEC. 47. Section 15039.7 of the Unemployment Insurance  
7 Code is amended to read:

8 15039.7. Members of the ~~state council~~ *California Workforce*  
9 *Investment Board* may receive up to one hundred dollars (\$100)  
10 for each day's actual attendance at meetings and other official  
11 business of the ~~council board~~, not to exceed three hundred dollars  
12 (\$300) per month, and shall receive their necessary and actual  
13 expenses incurred in the performance of their official duties.

14 SEC. 48. The heading of Chapter 5 (commencing with  
15 Section 15040) of Division 8 of the Unemployment Insurance  
16 Code is amended to read:

17  
18 CHAPTER 5. ~~SERVICE-DELIVERY~~ *LOCAL WORKFORCE INVESTMENT*  
19 *AREA PLANS*  
20

21 SEC. 49. Section 15040 of the Unemployment Insurance  
22 Code is amended to read:

23 15040. A ~~service-delivery~~ *local workforce investment* area  
24 plan shall be prepared in accordance with an agreement or  
25 agreements between the ~~local private industry council~~ *local*  
26 *workforce investment board* and the chief elected official or  
27 officials in the ~~service-delivery~~ *local workforce investment* area.  
28 The plan shall conform to the provisions of this division and the  
29 criteria, rules, and procedures established pursuant to this division.  
30 The ~~service-delivery~~ *local workforce investment* area plan shall be  
31 prepared in accordance with the requirements and provisions of  
32 this division and the federal ~~Job Training Partnership Act~~  
33 *Workforce Investment Act of 1998*.

34 SEC. 50. Section 15041 of the Unemployment Insurance  
35 Code is amended to read:

36 15041. To receive any federal and state funds appropriated for  
37 the purposes and requirements of this division, a ~~service-delivery~~  
38 *local workforce investment* area shall operate under and adhere to  
39 a plan approved in accordance with this division.

1 SEC. 51. Section 15042 of the Unemployment Insurance  
2 Code is amended to read:

3 ~~15042. Service delivery~~ *Local workforce investment* area  
4 plans shall be developed and submitted to the director in  
5 accordance with a time schedule set forth by the department, which  
6 shall, to the extent feasible, allow for the integration of cost and  
7 services needs information contained in the plans with the  
8 development of the Governor's annual State Budget proposal.

9 SEC. 52. Section 15043 of the Unemployment Insurance  
10 Code is amended to read:

11 ~~15043. Service delivery~~ *Local workforce investment* area  
12 plans shall contain provisions required by the federal ~~Job Training~~  
13 ~~Partnership Act~~ *Workforce Investment Act of 1998* and this  
14 division, including all of the following:

15 (a) Identification of the entity that will administer the program  
16 and be the grant recipient of funds from the state.

17 (b) Provisions for coordinating particular aspects of the ~~service~~  
18 ~~delivery~~ *local workforce investment* area program with other  
19 programs and ~~service~~ *local workforce investment* providers in the  
20 labor market area if there is more than one ~~service delivery~~ *local*  
21 *workforce investment* area in a single labor market area, including  
22 provisions for all of the following:

23 (1) Assessing needs and problems in the labor market that form  
24 the basis for program planning.

25 (2) Ensuring access by program participants in each ~~service~~  
26 ~~delivery~~ *local workforce investment* area to skills training and  
27 employment opportunities throughout the entire labor market.

28 (3) Coordinating or jointly implementing job development,  
29 placement, and other employer outreach activities.

30 (4) Entering into agreements and contracts between ~~service~~  
31 ~~delivery~~ *local workforce investment* areas to pay or share the cost  
32 of services.

33 (c) A description of methods of complying with the  
34 coordination criteria contained in the Governor's coordination and  
35 special services plan.

36 (d) A description of linkages established with appropriate  
37 agencies designed to enhance the provision of services and avoid  
38 duplication, including, but not limited to, the following:

39 (1) Agreements with appropriate educational agencies.

1 (2) Arrangements with other education, training, and  
2 employment programs authorized by federal and state law.

3 (3) If appropriate, joint programs in which activities supported  
4 with assistance under this division are coordinated with activities  
5 such as service opportunities and youth corps programs supported  
6 with assistance made available under the National and Community  
7 Service Act of 1990 (42 U.S.C. *Sec. 12501 et seq. and following*).

8 (4) Efforts to ensure the effective delivery of services to  
9 participants in coordination with local welfare agencies and other  
10 local agencies, community-based organizations, volunteer groups,  
11 business and labor organizations, and other training, education,  
12 employment, and social service programs.

13 (e) Goals and objectives for the programs, including, but not  
14 limited to, the following:

15 (1) A description of the manner in which the program will  
16 contribute to the economic self-sufficiency of participants, and the  
17 productivity of the local area and the nation.

18 (2) Performance standards established in accordance with  
19 standards prescribed under Section 15055 and the federal ~~Job~~  
20 ~~Training Partnership Act (P.L. 97-300)~~ *Workforce Investment Act*  
21 *of 1998*, as amended.

22 (f) Procedures for identifying and selecting participants,  
23 including, but not limited to, the following:

24 (1) Goals for the training and placement of hard-to-serve  
25 individuals, and a description of efforts to be undertaken to  
26 accomplish those goals.

27 (2) Outreach efforts to recruit and expand awareness of training  
28 and placement opportunities for those individuals.

29 (3) Types of services to be provided to address the special needs  
30 of those individuals.

31 (g) Goals for the training of women in nontraditional  
32 employment, and the training-related placement of women in  
33 nontraditional employment and apprenticeships, and a description  
34 of efforts to be undertaken to accomplish these goals, including  
35 efforts to increase awareness of any training and placement  
36 opportunities.

37 (h) Adult and youth program budgets for two program years  
38 and any proposed expenditures for the succeeding two program  
39 years.

40 (i) A description of all of the following:

1 (1) The assessment process that will identify participant skill  
2 levels.

3 (2) The process for providing information and referrals for  
4 applicants and participants relating to appropriate programs and  
5 service providers.

6 (3) The services to be provided, including the means for  
7 involving labor organizations and community-based  
8 organizations in the provision of services, the estimated duration  
9 of service, and the estimated training cost per participant.

10 (4) The competency levels to be achieved by participants as a  
11 result of program participation.

12 (5) The procedures for evaluating the progress of participants  
13 in achieving competencies.

14 ~~(j) A description, where applicable, of the procedures and~~  
15 ~~methods of carrying out the Jobs for Employable Dependent~~  
16 ~~Individuals Incentive Bonus Program (Title V) of the federal Job~~  
17 ~~Training Partnership Act (P.L. 97-300), as amended.~~

18 ~~(k) Procedures for selecting service local workforce investment~~  
19 ~~providers, that shall take into account both of the following:~~

20 (1) The past performance of the providers with regard to job  
21 training, basic skills training, or related activities, fiscal  
22 accountability, and ability to meet performance standards.

23 (2) The ability of the providers to provide services that can lead  
24 to achievement of competency standards for participants with  
25 identified deficiencies.

26 ~~(l)–~~

27 (k) Fiscal control, including, but not limited to, procurement,  
28 monitoring, and management information system requirements,  
29 accounting, audit, and debt collection procedures, to assure the  
30 proper disbursement of, and accounting for, funds received under Title  
31 ~~H of the federal Job Training Partnership Act (P.L. 97-300) the~~  
32 *Workforce Investment Act of 1998*, as amended.

33 ~~(m)–~~

34 (l) Procedures for the preparation and submission of an annual  
35 report to the Governor, that shall include all of the following:

36 (1) A description of activities conducted during the program  
37 year.

38 (2) A description of the characteristics of participants.

39 (3) Information on the extent to which applicable performance  
40 standards were met.

1 (4) Information on the extent to which the ~~service-delivery~~  
2 *local workforce investment* area has met the goals of the area for  
3 the training and training-related placement of women in  
4 nontraditional employment and apprenticeships.

5 (5) A statistical breakdown of women trained and placed in  
6 nontraditional occupations, including information regarding the  
7 type of training received by occupation, and information regarding  
8 whether the participant was placed in a job or apprenticeship. If the  
9 participant was placed in a job or apprenticeship, the breakdown  
10 shall include the following information:

11 (A) The occupation and wage at placement.

12 (B) The age of the participant.

13 (C) The race of the participant.

14 (D) The period of retention of the participant in nontraditional  
15 employment.

16 SEC. 53. Section 15045 of the Unemployment Insurance  
17 Code is amended to read:

18 15045. The opportunity shall be provided for public review  
19 and comment on the plan prior to final approval and in accordance  
20 with procedures that the chief elected officials determine are  
21 reasonable and appropriate, that are consistent with the public  
22 review and comment provisions required by the federal ~~Job~~  
23 ~~Training Partnership Act (P.L. 97-300)~~ *Workforce Investment Act*  
24 *of 1998*, as amended, and that include a public hearing on the  
25 proposed plan by the ~~private industry council~~ *local workforce*  
26 *investment board*, with at least 10 days' advance public notice,  
27 prior to submission to the chief elected official or officials, and a  
28 response, in writing, from the ~~private industry council~~ *local*  
29 *workforce investment board* or the chief elected official or  
30 officials, or both, with respect to any comments submitted  
31 concerning the plan as a part of the plan to be submitted to the  
32 department.

33 SEC. 54. Section 15046 of the Unemployment Insurance  
34 Code is amended to read:

35 15046. Each ~~service-delivery~~ *local workforce investment*  
36 area's plan shall require the approval of both its chief elected  
37 officials and the ~~local private industry council~~ *local workforce*  
38 *investment board*, and the plan submitted to the director shall so  
39 indicate this joint approval.

SEC. 55. Section 15050 of the Unemployment Insurance Code is amended to read:

15050. The Governor shall, after receiving the recommendation of the ~~State Job Coordinating Council~~ *California Workforce Investment Board*, designate directly or by contract the agency or agencies responsible for the provisions of this division.

The functions of the Governor's designee shall include all of the following:

(a) Overall direction, pursuant to the policies established by the ~~state council~~ *California Workforce Investment Board* of the statewide programs operated by ~~service-delivery~~ *local workforce investment* areas under this division.

(b) Administration, either directly or by contract with another entity, of these statewide programs in ~~service-delivery~~ *local workforce investment* areas that request the state to assume this function.

(c) Administration of special assistance programs to areas facing urgent employment and training needs that cross jurisdictional lines or result from major plant closures under Chapter 7.5 (commencing with Section 15075), arrival and resettlement of significant numbers of refugees, or comparable circumstances. Nothing in this section shall be construed as modifying the manner in which federal Office of Refugee Resettlement Funds are used in this state.

(d) The Employment Development Department shall be responsible for the administration of demonstration programs testing innovative approaches to assisting clients eligible under this division to find unsubsidized employment, where feasible.

To the extent feasible, in implementing demonstration programs designed for eventual merger into the statewide programs operated by the administrative entity in ~~service-delivery~~ *local workforce investment* areas under this division, the Employment Development Department shall involve appropriate local agencies in program planning and operation within the demonstration sites. Once the demonstration programs are completed, if they have proven to be effective in achieving the intent and objectives of this division, the Employment Development Department shall take the steps necessary to ensure their implementation and integration wherever appropriate within

1 the statewide employment and training programs operated by the  
2 administrative entity in the ~~service-delivery~~ *local workforce*  
3 *investment* areas.

4 SEC. 56. Section 15051 of the Unemployment Insurance  
5 Code is amended to read:

6 15051. The department shall establish *such* rules, regulations,  
7 and procedures *as are* necessary to govern the administration of  
8 the provisions of this division and to assure that the legislative  
9 purposes and intent are carried out. The regulations shall include  
10 to the extent permitted by federal law *all of the following*:

11 (a) Standards and criteria for determining eligibility and  
12 services priorities pursuant to Section 15011. These shall include,  
13 but are not limited to, standards for insuring that a ~~service-delivery~~  
14 *local workforce investment* area plan gives appropriate priority to  
15 public assistance recipients.

16 (b) Standards for determining appropriate and allowable  
17 services and training activities, and entities providing services and  
18 training. These shall include, but are not limited to, ~~insuring~~  
19 *standards that do the following*:

20 (1) *Ensure* that all occupational skill training correspond to  
21 area labor market demand, ~~insuring~~.

22 (2) *Ensure* that any training entity providing services has a  
23 demonstrated record of past performances in training and placing  
24 persons in unsubsidized private sector employment or offers  
25 reasonable assurance that services provided will result in these  
26 placements, ~~and prohibiting~~.

27 (3) *Prohibit* contracting with entities whose officers have been  
28 convicted of fraud or misappropriation of funds within the last two  
29 years.

30 (c) Standards and criteria to be used in developing plans. These  
31 shall include, but are not limited to, appropriate placement goals  
32 ~~and~~, requirements for adequate public notice, and opportunity for  
33 public involvement in the development of ~~service-delivery~~ *local*  
34 *workforce investment* area plans.

35 (d) Standards, criteria, and procedures to be used by the  
36 department in evaluating and approving ~~service-delivery~~ *local*  
37 *workforce investment* area plans.

38 (e) Standards for assuring adequate, efficient ~~service-delivery~~  
39 *local workforce investment* area administration, including  
40 standards for assuring efficient ~~service-delivery~~ *local workforce*



1 *investment* area management information and financial  
2 accounting systems.

3 (f) Standards and criteria for assuring effective coordination  
4 and linkages with other agencies that deliver training and  
5 employment-related services.

6 ~~(g) Standards and criteria for assuring that no participant shall  
7 be employed or that no job opening shall be filled:~~

8 ~~(1) When any other individual is on layoff from the same or any  
9 substantially equivalent job.~~

10 ~~(2) When the employer has terminated the employment of any  
11 regular employee or otherwise reduced its workforce with the  
12 intention of filling the vacancy so created by hiring a participant  
13 whose wages are subsidized by the Workforce Investment Act of  
14 1998 (Public Law 105-220), the successor to the Job Training  
15 Partnership Act.~~

16 ~~(3) When the employer has not rehired a seasonal employee  
17 who has a history of regular seasonal employment with the  
18 employer. This paragraph shall only apply to the construction  
19 industry.~~

20 SEC. 57. Section 15052 of the Unemployment Insurance  
21 Code is amended to read:

22 15052. The department shall review and approve plans  
23 submitted under the provisions of Chapter 5 (commencing with  
24 Section 15040) and Chapter 7.5 (commencing with Section  
25 15075) in accordance with established standards and criteria for  
26 determining the adequacy of a plan and shall allocate federal and  
27 state funds to the grant recipient in a ~~service-delivery-local~~  
28 *workforce investment* area only upon approval of the plan.

29 SEC. 58. Section 15053 of the Unemployment Insurance  
30 Code is amended to read:

31 15053. The department shall allocate to the grant recipient in  
32 each ~~service-delivery-local~~ *workforce investment* area an amount  
33 of the federal and state funds annually appropriated for the  
34 purposes and requirements of this division in accordance with the  
35 federal ~~Job Training Partnership Act-Workforce Investment Act of~~  
36 *1998* and this division. Funds may be allocated to the grant  
37 recipient in each ~~service-delivery-local~~ *workforce investment* area  
38 on the basis of performance to the extent authorized by federal law  
39 and this division.

1 SEC. 59. Section 15054 of the Unemployment Insurance  
2 Code is amended to read:

3 15054. The department shall conduct ~~such~~ *the* planning  
4 activities ~~as are~~ required to assess job preparation and training  
5 services needs, ~~and the~~ availability of resources to address that  
6 need and private sector employment needs. The purpose of ~~such~~  
7 *those* planning activities is to provide the department with  
8 information necessary to establish the standards, criteria priorities,  
9 and formulas required by the provisions of this chapter.

10 SEC. 60. Section 15055 of the Unemployment Insurance  
11 Code is amended to read:

12 15055. The department shall develop standards in accordance  
13 with federal laws whereby the performance of programs in the  
14 ~~service-delivery~~ *local workforce investment* area can be measured.  
15 The department shall provide each ~~service-delivery~~ *local*  
16 *workforce investment* area with these performance standards ~~in~~  
17 ~~order so that local private industry councils~~ *workforce investment*  
18 *boards* can assess program achievements of the ~~service-delivery~~  
19 *workforce investment* area. The standards shall *do the following*:

20 (a) Recognize that performance may vary among the ~~service~~  
21 ~~delivery~~ *local workforce investment* areas due to economic  
22 conditions and to the employability barriers confronting their  
23 eligible populations.

24 (b) Be based on participant outcome measures that are related  
25 to the services provided, including obtaining unsubsidized  
26 employment, tenure of employment, adequacy of wages received,  
27 comparisons of wages before and after training, and other  
28 measures as the department may determine appropriate.

29 (c) Be able to measure the avoidance of costs that would have  
30 occurred had the employment and training services not been  
31 provided in comparison with the costs of providing these services.

32 (d) Accommodate delays in job placement following  
33 completion of training services due to illness or other  
34 circumstances, including pregnancy.

35 SEC. 61. Section 15056 of the Unemployment Insurance  
36 Code is amended to read:

37 15056. In accordance with its established standards, the  
38 department shall monitor and evaluate the performance of  
39 programs in the ~~service-delivery~~ *local workforce investment* area,  
40 including assessments of efficiencies of administration,

effectiveness of coordination, and linkages with other training and employment services resources. The department shall also determine levels of achievement for ~~service-delivery-local~~ *workforce investment* areas. The purpose of these monitoring and evaluation activities is to determine reasons for high and low levels of program performance, administrative efficiencies, and program coordination, and to determine the appropriate allocation of performance-based funding pursuant to Section 15053. Based on these determinations, the department shall provide technical assistance and training to ~~service-delivery-local~~ *workforce investment* areas ~~which that~~ promote the development of ~~service-delivery-local~~ *workforce investment* area programs reflecting models of demonstrated success.

SEC. 62. Section 15056.6 of the Unemployment Insurance Code is amended to read:

15056.6. In order to ensure compliance with subdivision (g) of Section 15032, the department shall provide training and technical assistance to ~~service-delivery-local~~ *workforce investment* areas in developing nontraditional employment training programs for women.

SEC. 63. Section 15057 of the Unemployment Insurance Code is amended to read:

15057. The Employment Development Department shall ~~assure~~ *ensure* that the services and resources provided by its labor exchange function, labor market information system, and employment services network, including job agents, are fully supportive of the ~~service-delivery-local~~ *workforce investment* areas. The Employment Development Department shall ~~assure~~ *ensure* that its local offices develop operational plans ~~which that~~ are coordinated with and support the development and operation of annual plans prepared pursuant to this division.

SEC. 64. Section 15061 of the Unemployment Insurance Code is amended to read:

15061. (a) The department shall develop and maintain those fiscal control, accounting, auditing, and debt collection procedures that are necessary to ~~assure~~ *ensure the* proper disbursement of and accounting for the state and federal funds appropriated for the purposes and requirements of this division.

(b) If the state or a ~~service-delivery-local~~ *workforce investment* area has established a final debt against a ~~Job Training Partnership~~

1 ~~Act-service~~ *Workforce Investment Act of 1998 local workforce*  
2 *investment* provider and the ~~service~~ provider has not paid the final  
3 debt or has not established a payment plan agreed to by the  
4 department within 60 days after the debt is established as final, the  
5 ~~service~~ provider shall be barred from receiving ~~Job Training~~  
6 ~~Partnership Act-Workforce Investment Act of 1998~~ funds in the  
7 future from either the state or from any ~~service-delivery-local~~  
8 *workforce investment* area. The department shall publish a list of  
9 ~~service~~ *local workforce investment* providers who are barred from  
10 receiving ~~Job Training Partnership Act-Workforce Investment Act~~  
11 *of 1998* funds by May 1 of each year.

12 SEC. 65. Section 15071 of the Unemployment Insurance  
13 Code is amended to read:

14 15071. To assure compliance with legislative intent regarding  
15 the content and availability of vocational education programs  
16 provided by community colleges, school districts, and regional  
17 occupational centers and programs, each local ~~private industry~~  
18 ~~council~~ *workforce investment board* shall for programs provided  
19 in the ~~service-delivery-local~~ *workforce investment* area, review and  
20 comment on the vocational education courses or programs subject  
21 to review pursuant to Sections 52302.3, 52520, and 78016 of the  
22 Education Code. ~~The council~~ *Each local workforce investment*  
23 *board* shall, conduct its review prior to the review of the  
24 appropriate governing body as required by Section 52302.3 of the  
25 Education Code and the ~~council~~ *local workforce investment board*  
26 shall notify the governing body of its determinations.

27 SEC. 66. Section 15075 of the Unemployment Insurance  
28 Code is amended to read:

29 15075. The Legislature recognizes that fundamental shifts  
30 occur within the economy which result in the closure of existing  
31 production facilities, retail establishments, and business  
32 institutions, or in a severe reduction in employment opportunities,  
33 which ~~bring~~ *brings* about mass layoffs and consequent economic  
34 hardship to many California families. In order to assist these  
35 families in regaining economic security, and in ~~conformance~~  
36 *conformity* with the provisions of ~~Title III of the federal Job~~  
37 ~~Training Partnership Act-Workforce Investment Act of 1998~~, as  
38 amended, and Chapter 6 (commencing with Section 15050), the  
39 Dislocated Workers Assistance Program is hereby established.

SEC. 67. Section 15075.1 of the Unemployment Insurance Code is amended to read:

15075.1. Each ~~service-delivery~~ *local workforce investment* area shall be a substate area and the administrative entity of each ~~service-delivery~~ *local workforce investment* area shall be the substate grantee for purposes of ~~Title III of the Job Training Partnership Act~~ *Workforce Investment Act of 1998*, except when groups of ~~service-delivery~~ *local workforce investment* areas elect to become consortium substate areas with the approval of the ~~State Job Training Coordinating Council~~ *California Workforce Investment Board*.

SEC. 68. Section 15076 of the Unemployment Insurance Code is amended to read:

15076. The ~~private industry councils~~ *local workforce investment boards* in each ~~service-delivery~~ *local workforce investment* area shall recommend and approve an employment and training plan for ~~displaced~~ *dislocated* workers, which shall meet the requirements of the federal ~~Job Training Partnership Act~~, *Workforce Investment Act of 1998* and ~~in addition~~ provide for each of the following:

(a) Identification, in conjunction with the Employment Development Department, of individuals eligible for assistance due to any of the following facts:

(1) The individuals have been terminated or laid off or have received a notice of termination or layoff from employment, are eligible for or have exhausted their entitlement to unemployment compensation, and are unlikely to return to their previous industry or occupation.

(2) The individuals have been terminated from employment, or have received a notice of termination of employment, as a result of any permanent closure of, or substantial layoff at, a plant, facility, or enterprise.

(3) The individuals are long-term unemployed and have limited opportunities for employment or reemployment in the same or a similar occupation in the area in which they reside, including older individuals who have had substantial barriers to employment by reason of age.

(4) The individuals were self-employed (including farmers and ranchers) and are unemployed as a result of general economic

1 conditions in the community in which they reside or because of  
2 natural disasters.

3 (5) The individuals are ~~displaced~~ *dislocated* homemakers who  
4 may be provided services as additional dislocated workers without  
5 adversely affecting the delivery of services to eligible dislocated  
6 workers.

7 (b) Determination of job opportunities that exist within the  
8 local labor market area or outside the labor market area for which  
9 ~~displaced~~ *dislocated* workers could be retrained, and  
10 determination of what training for identified employment  
11 opportunities exists or could be provided within the local area.  
12 This determination shall be undertaken by use of both of the  
13 following:

14 (1) The State-Local Cooperative Labor Market Information  
15 Program established in Section ~~15074~~ *10533*.

16 (2) As appropriate, representatives of the Employment  
17 Training Panel in accordance with its functions pursuant to  
18 Chapter 3.5 (commencing with Section 10200) of Part 1 of  
19 Division 3, and representatives of the Trade and Commerce  
20 Agency as provided in Article 3.5 (commencing with Section  
21 15340) of Chapter 1 of Part 6.7 of Division 3 of the Government  
22 Code.

23 (c) Informing eligible ~~displaced~~ *dislocated* workers of training  
24 opportunities. This process shall be undertaken in conjunction  
25 with the Employment Development Department.

26 (d) A program for dislocated workers assistance drawing, as  
27 appropriate, upon existing facilities and resources, which may  
28 include, but not be limited to, all of the following:

29 (1) Dislocated worker employment services and related  
30 assistance, provided that employment-related services are  
31 coordinated with, and do not duplicate, those available and  
32 accessible services of the Employment Development Department,  
33 including all of the following:

34 (A) Job search assistance.

35 (B) Job development.

36 (C) Support services, such as financial and personal  
37 counseling, child care and related children's services, and  
38 assistance in obtaining equipment and supplies necessary for  
39 retraining or new employment.





(D) Relocation assistance, if it is determined that an eligible individual cannot obtain employment in the commuting area and has secured suitable long duration employment or a bona fide job offer.

(E) Prelayoff assistance.

(F) Programs conducted in cooperation with employers or labor organizations to provide early intervention in the event of closures of plants or facilities.

(2) Training in job skills for which demand exceeds supply, including, where feasible, job training administered by the Employment Training Panel pursuant to Chapter 3.5 (commencing with Section 10200) of Part 1 of Division 3.

(3) Commuting assistance, consistent with the ~~Displaced Worker Transportation Program established pursuant to Section 14002.5~~ provisions of Chapter 1 (commencing with Section 14000) of Part 5 of Division 2 of the Government Code.

(e) Consultation with affected labor organizations, in the case of any assistance program that will provide services to a substantial number of members of these labor organizations.

(f) Involvement of ~~displaced~~ *dislocated* workers in program delivery, including, as appropriate, paid employment for these individuals in providing services under the program.

(g) Utilization of services and resources from other sources, public and private, and specific procedures for coordination with other programs, in order to maximize services for ~~displaced~~ *dislocated* workers and their families and increase employment and training opportunities. Examples of programs to be included are the following:

(1) Other employment and training and education programs.

(2) Social services, including child care and related children's services.

(3) Housing programs, including low-income weatherization and home energy conservation programs.

(4) Transportation related programs, including highway, bridge, and mass transit construction and repair.

(5) Other programs related to infrastructure development and repair.

(6) Economic development programs deemed applicable.

(h) Contracting with the Employment Development Department in order to provide funding for special services the

1 department is to provide under the local ~~displaced~~ *dislocated*  
2 worker assistance program.

3 (i) Coordination with neighboring jurisdictions, in cases of  
4 plant closings or mass layoffs that cross ~~service delivery~~ *local*  
5 *workforce investment* areas.

6 (j) A system of program and fiscal accountability to ensure  
7 maximum benefit from the expenditure of federal and state funds  
8 and that is consistent with procedures established in the state's job  
9 training plan pursuant to ~~Section 121 of the federal Job Training~~  
10 ~~Partnership Act (Public Law 93-700)~~ *the Workforce Investment*  
11 *Act of 1998*, as amended, including all of the following:

12 (1) Performance goals and standards, established by the ~~State~~  
13 ~~Job Training Coordinating Council~~ *California Workforce*  
14 *Investment Board*, including standards for both of the following:

15 (A) Placement and retention in unsubsidized employment.

16 (B) Earnings and wages.

17 (2) Procedures for reporting on the outcome of the program,  
18 which include all of the following:

19 (A) A description of activities conducted.

20 (B) Characteristics of participants.

21 (C) The extent to which the activities conducted achieved  
22 relevant performance goals.

23 (3) Fiscal control, accounting, audit, and related provisions.

24 (k) Identification of the administrative entity of the local  
25 ~~service delivery~~ *workforce investment* area or consortium that shall  
26 also receive the 60-day notification required to be given to units  
27 of local government pursuant to the federal Worker Adjustment  
28 and Retraining Notification Act (Public Law 100-379).

29 (l) Integration of services and benefits available under Chapter  
30 2 of Title II of the federal Trade Act of 1974 (19 U.S.C. Sec. 2101  
31 and following) and Article 1.5 (commencing with Section 1266)  
32 of Chapter 5 of Part 1 of Division 1.

33 The plan shall be reviewed and approved according to Sections  
34 15045 and 15046.

35 SEC. 69. Section 15077 of the Unemployment Insurance  
36 Code is amended to read:

37 15077. The Employment Development Department shall do  
38 all of the following:

39 (a) Review and approve the plans for ~~displaced~~ *dislocated*  
40 workers' assistance submitted pursuant to Section 15076.

(b) According to policies established by the ~~State Job Training Coordinating Council~~ *California Workforce Investment Board* and state law, coordinate ~~displaced workers~~ *dislocated workers'* assistance efforts in situations where plant closures or layoffs within an industry have a significant statewide impact.

(c) Encourage and coordinate early identification of situations of potential plant closures, and provide any assistance that may be necessary to alleviate economic dislocation.

(d) Provide assistance to the Trade and Commerce Agency in active recruitment of replacement industries or establishments.

(e) Cooperate with the Employment Training Panel in the coordination of training and services for ~~displaced~~ *dislocated* workers eligible under Chapter 3.5 (commencing with Section 10200) of Part 1 of Division 3.

(f) Serve as the state agency providing any information and procedural activities that may be required by the federal government to ensure federal funding for ~~dislocated workers~~ *workers'* assistance.

(g) Provide for the submission of applications to the United States Secretary of Labor for additional federal funding to the state in accordance with ~~Title III of the federal Job Training Partnership Act (Public Law 93-700)~~ *Workforce Investment Act of 1998*, as amended.

(h) Operate a monitoring, reporting, and management system that provides an adequate information base for effective program planning, management, review, and evaluation.

(i) Administer federal and state funds appropriated for the support of demonstration and special assistance programs for dislocated workers.

(j) Provide specific periodic notification to employers of 100 or more employees of their potential responsibilities under the federal Worker Adjustment and Retraining Notification Act (~~P.L.~~ *Public Law* 100-379), the availability of services to employees and employers under this and other state laws, and instructions on how to comply with those laws and obtain appropriate services.

SEC. 70. Section 15077.5 of the Unemployment Insurance Code is amended to read:

15077.5. To assure rapid response assistance to dislocated workers and their communities, there shall be in the Employment

1 Development Department a State Dislocated Worker Unit, which  
2 shall do all of the following:

3 (a) Provide a special statewide program of assistance for  
4 ~~displaced~~ *dislocated* workers, consistent with the requirements for  
5 local programs under this chapter. This program shall be available  
6 to address sudden or severe economic dislocation under any of the  
7 following circumstances:

8 (1) A community, through its ~~private industry council~~ *local*  
9 *workforce investment board*, board of supervisors, or other  
10 applicable local elected officials, requests or accepts state services.

11 (2) The ~~private industry council~~ *local workforce investment*  
12 *board* or substate grantee does not respond within 30 days after  
13 notification by the Employment Development Department of a  
14 plant closure or mass layoff, or if the Employment Development  
15 Department determines that the plan does not sufficiently meet the  
16 needs of ~~displaced~~ *dislocated* workers.

17 (3) Where a plant closure or substantial reduction in  
18 employment at a worksite affects workers residing in more than  
19 one ~~service delivery~~ *local workforce investment* area, and there is  
20 no coordinated plan among affected areas.

21 (b) Work with employers and labor organizations in promoting  
22 labor-management cooperation to achieve the goals of this  
23 chapter, in accordance with policies established by the ~~state~~  
24 ~~council~~ *California Workforce Investment Board*.

25 (c) Be the designated state agency for purposes of receiving the  
26 60-day notification required by the federal Worker Adjustment  
27 and Retraining Notification Act, ~~Public Law 100-379~~ (*Public Law*  
28 *100-379*).

29 (d) Provide for rapid onsite response, pursuant to local plans  
30 described in Section 15076, to permanent closures and substantial  
31 layoffs throughout the state to assess the need for, and initially  
32 provide, appropriate services to dislocated workers.

33 (e) Provide immediate information to local entities about state  
34 and federal programs, including economic development  
35 assistance, which can serve ~~displaced~~ *dislocated* workers, their  
36 families, and communities.

37 (f) Assist in the coordination of programs provided under ~~Title~~  
38 ~~III of the Job Training Partnership Act~~ *the Workforce Investment*  
39 *Act of 1998*, as amended, with programs and services provided by  
40 state and local education and training agencies, public assistance

1 agencies, the Employment Development Department,  
2 rehabilitation agencies, economic development agencies, and  
3 other entities which carry out activities pertinent to successful  
4 positive adjustment on the part of ~~displaced~~ *dislocated* workers  
5 and their families and communities.

6 (g) Prepare a plan, to be included in the coordination and  
7 special services plan required by Chapter 4.5 (commencing with  
8 Section 10510) of Part 1 of Division 3, to assure rapid and effective  
9 state response to local entities requesting assistance in developing  
10 programs for ~~displaced~~ *dislocated* workers, which shall be  
11 submitted for approval to the ~~State Job Training Coordinating~~  
12 ~~Council~~ *California Workforce Investment Board* for inclusion in  
13 the plan required by Section 10525. The plan shall include specific  
14 procedures for enabling ~~private industry councils~~ *local workforce*  
15 *investment boards*, entities administering job training plans for  
16 ~~displaced~~ *dislocated* workers under the federal ~~Job Training~~  
17 ~~Partnership Act~~ *Workforce Investment Act of 1998*, as amended,  
18 workers, firms, and communities to access each of the federal and  
19 state resources appropriate for serving ~~displaced~~ *dislocated*  
20 workers. The plan shall facilitate development and  
21 implementation of local dislocated workers assistance programs  
22 pursuant to this chapter.

23 (h) Report to the ~~State Job Training Coordinating Council~~  
24 *California Workforce Investment Board* on the type and number of  
25 requests it receives and the results of its assistance.

26 (i) Seek the participation and advice of individuals  
27 representative of local government, business, and labor in  
28 fulfilling its responsibilities. The advice of those persons shall be  
29 drawn upon to assure effective assistance by the state, responsive  
30 to particular community needs and circumstances.

31 SEC. 71. Section 15078 of the Unemployment Insurance  
32 Code is amended to read:

33 15078. Funds allocated to the state under ~~Section 302(d) of~~  
34 ~~the federal Job Training Partnership Act~~ *Workforce Investment Act*  
35 *of 1998*, as amended, shall be allocated to ~~service delivery~~ *local*  
36 *workforce investment* areas based on an allocation formula which  
37 shall utilize the most appropriate information needed to distribute  
38 funds to address the state's dislocated worker readjustment needs,  
39 and shall include, but not be limited to, all of the following, in  
40 accordance with federal law:

- 1 (a) Insured unemployment data.
- 2 (b) Unemployment concentrations.
- 3 (c) Plant closing and mass layoff data.
- 4 (d) Declining industries data.
- 5 (e) Farmer-rancher economic hardship data.
- 6 (f) Long-term unemployment data.

7 Upon approval of the ~~State Job Training Coordinating Council~~  
8 *California Workforce Investment Board*, the director shall  
9 promptly publish the allocation formula.

10 Nothing in this section shall prohibit the ~~council~~ *California*  
11 *Workforce Investment Board* from establishing a minimum level  
12 of funding for ~~service-delivery~~ *local workforce investment* areas.

13 SEC. 72. Section 15079 of the Unemployment Insurance  
14 Code is amended to read:

15 15079. (a) In order to maximize employment and training  
16 services to ~~displaced~~ *dislocated* workers, it is the intent of the  
17 Legislature that unemployment insurance benefits be payable to  
18 unemployed workers enrolled in retraining, in accordance with  
19 Article 1.5 (commencing with Section 1266) of Chapter 5 of Part  
20 1 of Division 1. As part of its education and job training report card  
21 program, the ~~State Job Training Coordinating Council~~ *California*  
22 *Workforce Investment Board*, or its successor, shall annually report  
23 on program outcomes. Beginning in 2001, the report shall include,  
24 at a minimum, the number of individuals who complete training,  
25 a demographic profile of these individuals, the percentage of these  
26 individuals who are found in California unemployment insurance  
27 covered employment after the training, the rate of change in the  
28 unemployment status of these individuals, the amount of the  
29 Unemployment Insurance Fund benefits paid to program  
30 participants, and any other data deemed relevant.

31 (b) ~~Service-delivery~~ *Local workforce investment* areas may  
32 provide, to the extent permitted by federal law, needs-related  
33 payments to eligible dislocated workers who do not qualify for, or  
34 have exhausted, unemployment insurance benefits, in order to  
35 enable these workers to participate in job training and education  
36 programs authorized by this chapter.

37 SEC. 73. Section 15081 of the Unemployment Insurance  
38 Code is amended to read:

39 15081. The Consolidated Work Program Fund shall provide  
40 a single source of funding to be allocated by the department to



1 ~~service-delivery~~ *local workforce investment* areas in accordance  
2 with the requirements of Sections 15007 and 15053 for funding  
3 services provided pursuant to ~~service-delivery~~ *local workforce*  
4 *investment* area plans and the provisions of this division. The  
5 purpose of the Consolidated Work Program Fund is to assure more  
6 efficient, equitable, and appropriate use of available resources and  
7 to provide greater flexibility in responding to the needs of persons  
8 receiving services under ~~service-delivery~~ *local workforce*  
9 *investment* area plans.

10 Nothing in this division shall be construed to preclude the  
11 provision of funds through ~~service-delivery~~ *local workforce*  
12 *investment* area plans for programs or services designed to serve  
13 the employment needs of disabled individuals otherwise eligible  
14 for services under the provisions of Chapter 2 (commencing with  
15 Section 15010) or to require funds transferred pursuant to  
16 subdivision (d) (c) of Section 15082 to be allocated to ~~service~~  
17 ~~delivery~~ *local workforce investment* areas.

18 SEC. 74. Section 15082 of the Unemployment Insurance  
19 Code is amended to read:

20 15082. Federal and state funds to be transferred to the  
21 Consolidated Work Program Fund shall include all of the  
22 following:

23 (a) That portion of the federal employment and training funds  
24 received by the state that is designated for the purpose of local  
25 delivery of employment and training services, except for those  
26 funds designated for employment activities under Title IV-A and  
27 IV-C of the federal Social Security Act (42 U.S.C. Sec. 601 ~~et seq.~~  
28 ~~and following~~ and Sec. 630 ~~et seq.~~ ~~and following~~) and the Food  
29 Stamp Act (7 U.S.C. Sec. 2011 ~~et seq.~~ ~~and following~~).

30 (b) Reinvestment of a portion of state public assistance grant  
31 savings reasonably attributable to the operation of this program.  
32 The Governor's Budget shall annually identify the savings  
33 resulting from the prior fiscal year's program operations and  
34 recommend the portion, if any, to be applied toward program  
35 funding during the budget year.

36 (c) Federal funds received by the state pursuant to ~~Sections 202~~  
37 ~~(e)(1) and 262(e)(1) and Title III of the federal Job Training~~  
38 ~~Partnership Act Workforce Investment Act of 1998~~. However,  
39 these funds shall be allocated pursuant to subdivision (e) of  
40 Section 15037 and Section 15078.

1 SEC. 75. Section 15087 of the Unemployment Insurance  
2 Code is amended to read:

3 15087. Upon completion of demonstration programs which it  
4 has administered, the Employment Development Department  
5 shall take all steps necessary to ensure the implementation and  
6 integration within the ~~service-delivery~~ *local workforce investment*  
7 area's employment and training services programs of those  
8 demonstration models of proven effectiveness for achieving the  
9 intent and objectives of this division.

10 SEC. 76. The Legislature finds and declares that the federal  
11 Workforce Investment Act of 1998 is the successor to the federal  
12 Job Training Partnership Act. The Legislature further finds and  
13 declares that this act is intended to make technical, nonsubstantive  
14 changes to California unemployment insurance law to reflect the  
15 changes in federal law. This act shall be construed so as to not make  
16 any substantive, including fiscal, changes to the law in effect  
17 immediately preceding the enactment of this act.

